

Independent Contractor Common Law Factors

(IRS Revenue Ruling 87-41)

- ___ 1. **No Instructions:** The worker will not be required to follow explicit instructions to accomplish the job. The employer may provide job specifications, however.
- ___ 2. **No Training:** The worker will not receive training provided by the employer. The worker will use independent methods to accomplish the work.
- ___ 3. **Work not essential to the employer:** The employer's success or continuation does not depend on the services of the worker.
- ___ 4. **Right to hire others:** The worker is being hired to provide a result, and will have the right to hire others for actual work.
- ___ 5. **Control of Assistants:** Assistants hired at worker's discretion; worker responsible for hiring, supervising, paying of assistants.
- ___ 6. **Not a continuing relationship:** If frequent, will be at irregular intervals, on call, or work is available.
- ___ 7. **Own work hours:** Worker will establish work hours for the job.
- ___ 8. **Time to Pursue Other Work:** Since specific hours are not required, worker may work for other employers simultaneously.
- ___ 9. **Job Location:** Worker controls job location: no direction or supervision, on employer's site or not.
- ___ 10. **Order of Work:** Worker, rather than employer, determines order or sequence of steps in performance of work.
- ___ 11. **No Interim Reports:** Only specific pre-determined reports defined in the contract document.
- ___ 12. **Basis of Payment:** Worker paid by the job, rather than time expended. Total compensation set in advance of starting the job.
- ___ 13. **Business Expenses:** Worker is responsible for incidental or special business expenses.
- ___ 14. **Tools and Equipment:** Worker furnishes the tools and equipment needed for the job.

Independent Contractor Common Law Factors cont.

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15. **Significant Investment:** Worker can perform services without using the employer's facilities. Worker's investment in own trade is real, essential, and adequate.
16. **Possible Profit or Loss:** Worker does these:
(Check valid items)
 Hires, directs, pays assistants
 Performs specific jobs for prices agreed-upon in advance
 Has equipment, facilities
 Worker's Services affect own business reputation.
 Has continuing and recurring liabilities
17. **Work for Multiple Employers:** Worker may perform services for more than one employer simultaneously.
18. **Services Available to the General Public:**
(Check valid items)
 Maintains an office
 Business Signs
 Advertises services;
 Business License
 Lists Services in Business Directory
 Other (explain)
19. **Limited Right to Discharge:** Worker not subject to termination as long as contract specifications are met.
20. **No Compensation for Non-Completion:** Responsible for satisfactory completion of job; no compensation for non-completion.

Notes: